



Department of Justice

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MICRUS CORPORATION ENTERS INTO AGREEMENT TO RESOLVE POTENTIAL FOREIGN CORRUPT PRACTICES ACT LIABILITY

WASHINGTON, D.C. – Assistant Attorney General Christopher A. Wray of the Criminal Division announced today that Micrus Corporation – a privately held company based in Sunnyvale, California that develops and sells, in domestic and foreign markets, medical devices known as embolic coils which allow minimally invasive treatment of neurovascular diseases such as intracranial aneurysms – has agreed to resolve its criminal liability associated with potential violations of the Foreign Corrupt Practices Act (FCPA) by paying \$450,000 in penalties to the United States and cooperating fully with an investigation by the Department of Justice.

The investigation by the Department revealed that Micrus, through the conduct of certain officers, employees, agents and salespeople paid more than \$105,000 – disguised in Micrus's books and records as stock options, honorariums and commissions – to doctors employed at publicly owned and operated hospitals in the French Republic, the Republic of Turkey, the Kingdom of Spain, and the Federal Republic of Germany in return for the hospitals' purchase of embolic coils from Micrus. An additional \$250,000 was comprised of payments for which Micrus did not obtain the necessary prior administrative or legal approval as required under the laws of the relevant foreign jurisdiction. The investigations followed the voluntary disclosure to the Department of Justice by Micrus of facts obtained in their internal investigation into the potential FCPA violations.

The term of the Micrus agreement with the government is two years. Because of the Micrus' cooperation commitment, the remedial actions taken by the company to date, and the company's voluntary disclosure of the wrongdoing, the Department of Justice has agreed not to file criminal charges stemming from the investigation for that two-year period. If Micrus fails to fully comply with the terms of the agreement during that two-year period, the Department of Justice will charge Micrus with violations of the FCPA. In exchange for the Department's agreement not to prosecute Micrus for the conduct disclosed by Micrus to the Department, Micrus agrees, among other things, to:

- Accept responsibility for its misconduct;
- Fully and affirmatively disclose to the Department activities that Micrus believes may violate the FCPA, and continue to cooperate with the Department in our investigation;
- Agree that a statement of facts summarizing the subject transactions is materially accurate and agree not to contradict those facts;
- Pay a monetary penalty to the United States of \$450,000;
- Adopt an FCPA compliance program, where previously it had none, as well as a set of internal controls designed to prevent violations in the future; and
- Retain an independence compliance expert for a period of three years to ensure the company's compliance program and internal controls are effective.

The case was prosecuted by Deputy Chief Mark F. Mendelsohn and Senior Litigation Counsel Patrick M. Donley of the Fraud Section.

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